Tax holiday for export oriented units

2957. SHRI THANGA TAMIL SELVAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that export oriented units are given tax holiday for foreign exchange earned through exports;

(b) if so, the details thereof;

(c) whether such tax holiday/exemption is provided to export of services to foreign concern;

(d) if so, the details thereof; and

(e) whether export of services by software industries and computer-based small units are also given this benefit?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) As per Section 10B of the Income Tax Act, Export Oriented Units (EOUs) are entitled for income tax exemption on profits from export of articles or things or computer software, for a period fo 10 consecutive assessment years from the date of commencement of production upto 1.04.2010.

(c) to (e) Yes, but only to the services notified by Central Board of Direct Taxes.

Establishment of new industries

2958. SHRI N.R. GOVINDRAJAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government formulated any specific policy for establishing new industries in various States during the Tenth Plan under the liberalisation policy;

(b) if so, the details thereof; and

(c) the details of the amount allotted/sanctioned by Government in these States for setting up of industries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Establishment of

industries in a State is primarily the responsibility of the State Government and the Central Government only supplements their efforts for the development of industries. Under the liberalised industrial policies, investment in the industrial sector depends upon the commercial judgement of the entrepreneurs.

To attract the investors, the Central Government has announced the following packages of economic incentives for some special category States namely Assam, Meghalaya, Manipur, Mizoram, Nagaland, Arunachal Pradesh, Tripura, Sikkim, Jammu & Kashmir, Himachal Pradesh and Uttranchal, which are located in hilly, remote and inaccessible areas:-

(i) **North-East Industrial Policy** (NEIP) was announced on 24.12.1997 for promoting industrializations in the North-Eastern region. Under this Policy, various concessions have been allowed to industrial units in the North Eastern Region, which include development of industrial infrastructure, excise and income-tax exemption and Subsidy Schemes like Central Capital Investment Subsidy, Central Interest Subsidy, and Central Comprehensive Insurance Scheme.

(ii) **New Industrial Policy and other concessions for the State of Sikkim** was announced on 23.12.2002 by the Government on the lines of NEIP.

(iii) **New Industrial Policy & other concessions for Jammu & Kashmir** was announced on 14.6.2002. As in the case of NEIP, similar packages of various concessions have been allowed to industrial units.

(iv) **New Industrial Policy and other concessions for Himachal Pradesh and Uttaranchal** was issued on 7.01.2003. Under this policy, various concessions have been allowed to industrial units, which include development of industrial infrastructure, excise and income-tax exemption and Central Capital Investment Subsidy.

(c) The details of funds released in the above States under the various schemes during the last three years (2002—2005) is given in the Statement.

Statement

Details of funds released under the various schemes during the last three years (2002-05)

(Rs. in crore)

	Transport subsidy Scheme	Central Capital Investment Subsidy Scheme	Central Interest Subsidy Scheme	Central Compre-hensive Insurance Scheme	Growth Centre Scheme	Setting up of JKDFC	Other Schemes like Roadshows, Seminars, etc.	Total
(i) NER & Sikkim	151.23	37.20	10.50	3.40	46.96	-	0.66	249.95
(ii) Jammu & Kashmir	14.91	2.00	1.75	-	12.75	50.00	0.04	81.45
(iii) Himachal Pradesh	33.01	2.50	-	-	6.53	-	0.30	42.34
(iv) Uttaranchal	21.33	2.50	-	-	10.00	-	-	33.83